

UNITED STATES BANKRUPTCY COURT
DISTRICT OF PUERTO RICO

IN RE

WILMA VELÁZQUEZ CORTÉS

Debtor

Case No. 19-06090 (EAG)

Chapter 7

P.R. ELECTRIC POWER AUTHORITY

Plaintiff

v.

WILMA VELÁZQUEZ CORTÉS

Defendant

Adversary Proceeding No. 20-00027

Re: Determination of dischargeability of debt

SETTLEMENT AGREEMENT

TO THE HONORABLE COURT:

Now comes P.R. Electric Power Authority ("PREPA"), and Wilma Velázquez Cortés (collectively "Defendant"), through their respective undersigned counsels, and very respectfully state and pray:

Recitals

1. On October 21, 2019, Defendant filed the bankruptcy case of caption.
2. On February 17, 2020, PREPA filed a complaint objecting to the dischargeability of Defendant's debt with PREPA for \$12,193.94 for undue use of electric energy ("UIEE" for its Spanish initials) or irregularities in the consumption of electric energy ("ICEE" for its Spanish initials) pursuant to 11 U.S.C. §§ 523(a)(2), (4), (6), and (7). See Docket #1.
3. On June 8, 2020, Defendant answered PREPA's complaint denying all allegations of wrongdoing. See Docket #20.

4. The parties wish to avoid the risks and expenses that continued litigation would entail.

5. Therefore, the parties have agreed to settle the adversary proceeding of caption pursuant to the following terms and conditions:

Terms and Conditions

a. This settlement shall not be construed as an admission of wrongdoing or liability in connection with any of the Parties here involved.

b. PREPA's claim of \$12,193.94 for ICEE shall be reduced to \$6,000.00 (the "ICEE Debt").

c. Defendant will pay PREPA the amount of \$6,000.00 through one (1) payment of \$3,000.00, within ten (10) days from the entry of the order approving the instant settlement agreement; and sixty (60) monthly payments of \$50.00 each, commencing within thirty (30) days after the initial payment of \$3,000.00. The monthly payments of \$50.00 each should be paid no later than the due date of PREPA's monthly invoice.

d. Defendant accepts that the amount of \$6,000.00 stated in item (b) above is not a dischargeable amount pursuant to 11 U.S.C. §§ 523(a)(2), (4), (6), and (7).

e. The \$6,000.00 ICEE debt or any balance thereof not timely paid by Defendant shall be and shall remain at all times a non-dischargeable debt, including, without limitation, if Debtor files another bankruptcy case or after dismissal of the current bankruptcy case.

f. Any amount of the ICEE Debt not timely paid by Defendant shall be immediately due and payable and shall accrue interests at 8% a year. If Debtor fail to timely pay PREPA any of the payments due or if Debtor's Bankruptcy Petition is dismissed for any reason, PREPA shall have the right to accelerate payment of the entire balance of the ICEE Debt.

g. Defendant shall continue to timely pay all of PREPA's invoices for the supply of electric power and related services and nothing herein affects PREPA's rights for Debtor's failure to comply with their post-petition obligations.

h. Defendant shall not interfere with PREPA's electrical facilities in Defendant's properties.

i. Subject to the terms of this settlement, the Parties hereby release each other from any claims that they may have against each other arising from or in connection with the facts alleged in PREPA's complaint and Defendant's answer to PREPA's complaint, except for (i) the payment of \$6,000.00 payable under this Agreement, (ii) the amount that Defendant may owe PREPA for PREPA's proof of claim in the bankruptcy case regarding any non-ICEE pre-petition debt (iii) the amount that Defendant may owe PREPA for any administrative expense claim that PREPA has filed or may file, and (iv) any post-petition amounts that Defendant may owe PREPA.

j. The parties shall bear their own costs, expenses, and attorney's fees.

k. In consideration of the payments stated in item (b) above, and the other terms and conditions of this settlement agreement, PREPA will move for the voluntary dismissal of its complaint once the order approving this settlement agreement becomes final and unappealable.

l. Defendant shall timely comply with any and all of their obligations under: this Agreement, any contracts that they may have with PREPA, and any of PREPA's rules and regulations that may be applicable, including, without limitation, PREPA's General Terms and Conditions for the Supply of Electric Energy, as they may be amended from time to time.

m. Any amounts due under this agreement that Defendant fail to timely pay to PREPA and any remaining balance due under this agreement, that is not timely paid by Defendant shall not be a dischargeable debt pursuant to 11 U.S.C. § 523(a).

n. The Parties expressly and irrevocably agree that any claim that they may have or may arise related in any manner, shape, or form to this Agreement shall be addressed by the U.S. Bankruptcy Court for the District of Puerto Rico if there is a bankruptcy case open in which the Defendant is the debtor and, if there is no bankruptcy case open in which the Defendant is the debtor, the Court of First Instance of the Commonwealth of Puerto Rico, San Juan Part (the "State Court") shall have exclusive jurisdiction to address any such claim.

o. PREPA may terminate, disconnect, or suspend the supply of electric power to Defendant if Defendant fail to timely pay any amounts due under this Agreement or if Defendant breach or fail to timely comply with any of the terms and conditions of this Agreement and/or as PREPA may be allowed pursuant to its rules and regulations.

p. The Parties in this adversary proceeding submit that service of this settlement upon the Creditor and the Master Service List is sufficient to comply with all notice requirements. Debtor shall be responsible for causing this settlement to be served on the required parties.

q. In the event that Debtor's Bankruptcy Petition is dismissed for any reason, PREPA shall have the right to accelerate payment of the entire balance of the ICEE Debt.

r. This Agreement shall not be valid and shall not be binding on PREPA or Defendant until the same has been approved by a final and unappealable order.

s. The order approving this agreement shall be final and unappealable immediately upon its entry, provided that said order is entered after the expiration of the time period fixed for

the filing of objections to this agreement and/or the order has been entered without opposition or objection to this agreement.

WHEREFORE the parties respectfully request from the Honorable Court that it enter an order approving the instant settlement agreement and that, once said order becomes final and unappealable, the Honorable Court enter an order dismissing the adversary proceeding of caption, to which Defendant expressly consents.

RESPECTFULLY SUBMITTED.

In San Juan, P.R. on November 6, 2020.

NOTICE TO INTERESTED PARTIES: Within twenty-one (21) days after service as evidenced by the certification, and an additional three (3) days pursuant to Fed. R. Bank. P. 9006(f) if you were served by mail, any party against whom this paper has been served, or any other party to the action who objects to the relief sought herein, shall serve and file an objection or other appropriate response to this paper with the Clerk's office of the U.S. Bankruptcy Court for the District of Puerto Rico. If no objection or other response is filed within the time allowed herein, the paper will be deemed unopposed and may be granted unless: (i) the requested relief is forbidden by law; (ii) the requested relief is against public policy; or (iii) in the opinion of the Court, the interest of justice requires otherwise.

CERTIFICATE OF SERVICE: We hereby certify that on November 6, 2020, we caused a copy of the foregoing motion to be electronically filed with the Clerk of the Court using the Court's CM/ECF protocol, which will give notice of the same to all interested CM/ECF participants.



Fausto J. Vergés Torres
ICEE Director



Wilma Velázquez Cortés
Debtor

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